

## NHS vs Modicare: The Indian Healthcare v2.0. Are we ready to build the healthier India that we envisage?

Suvansh R. Nirula<sup>1</sup>, Mayuresh Naik<sup>1</sup>, Srishti R. Gupta<sup>1</sup>

<sup>1</sup>Department of Ophthalmology, H.I.M.S.R and H.A.H Centenary Hospital, Near Greater Kailash-2, Alaknanda, New Delhi, India

### ABSTRACT

The National Health Services (NHS - UK) is a government-run organisation that provides free healthcare to everyone, irrespective of their ability to afford healthcare. Even though the NHS has its fair share of shortcomings, it has been one of the best healthcare systems of the world. India dreams of replicating the model of health services in some of the developed countries, the prime example being of the NHS in the United Kingdom (UK). We have a vision to take the public expenditure of healthcare to 2.5% of GDP by 2025 and launch India's very own "NHS" model or "Modicare" - which includes the newly formed Nation Health Protection Scheme (NHPS) 2018 as a part of the Ayushman Bharat programme. There are a lot of challenges in the path to achieve this dream here in India. The population of this nation deserves a budget that focuses on healthcare more than defence.

**Keywords:** Insurance, Modicare, National Health Services

Healthcare in India is a 90 billion dollar industry with nearly 70% of the healthcare expenditure spent in the private sector.<sup>[1,2]</sup> In 2018, PM Narendra Modi launched one of the biggest publicly-funded healthcare insurance schemes, the "Ayushman Bharat" programme, with the aim of covering 500 million people who were below-poverty-line (BPL) in the country. The Ayushman Bharat programme—dubbed as "Modicare"—targeted at offering Rs. 5 lac to every BPL family for institutional treatment. PM Modi's claim that "a publicly-funded healthcare government scheme at such a grand scale is not being implemented anywhere in the world" seems ironical in the face of many successfully functioning healthcare models in the world, such as the NHS in the UK, the American healthcare system or even the NHUS in Singapore.

A glance at the current healthcare status in India would enable us to better grasp what PM Modi envisions to turn it into, with

Modicare being projected to be at par with the NHS in the UK. United Kingdom is a country where the government ensures best possible healthcare for free, with money being able to get you only a better bed and not better treatment. But with the countless issues plaguing India, is this dream truly achievable?

To begin with, a basic background of the difference between the current status of the 2 countries is necessary. Firstly, the UK—with a population for 66 million—spends nearly 9% of the GDP (government funding being 7.6%),<sup>[1,2]</sup> which roughly equals £140 billion, whereas a developing country like India—with a population of 1.34 billion—spends only 4% of the GDP on healthcare, of which the government funds only 1.4% (equivalent of approx. £4 billion). Secondly, with respect to manpower, India being the world's 2<sup>nd</sup> most populated country in the world has a doctor to patient ratio of 1:1000, while the same in the UK is nearly thrice, approximated at 2.8 per 1000. A physician's salary in India, on an average is approximately Rs. 50,000 per month (AIIMS), which just meets the bare minimum requirements of the World Health Organisation (WHO), whereas the average salary of a physician

**Address for correspondence:** Dr. Mayuresh Naik, Room No. 3 of Eye OPD, 1<sup>st</sup> Floor of OPD Building, Department of Ophthalmology, H.I.M.S.R and H.A.H Centenary Hospital, Near Greater Kailash-2, Alaknanda, New Delhi - 110 062, India. E-mail: mayureshnaik@gmail.com

Received: 14-04-2019 Revised: 16-04-2019 Accepted: 07-05-2019

#### Access this article online

##### Quick Response Code:



**Website:**  
www.jfmpc.com

**DOI:**  
10.4103/jfmpc.jfmpc\_309\_19

This is an open access journal, and articles are distributed under the terms of the Creative Commons Attribution-NonCommercial-ShareAlike 4.0 License, which allows others to remix, tweak, and build upon the work non-commercially, as long as appropriate credit is given and the new creations are licensed under the identical terms.

**For reprints contact:** reprints@medknow.com

**How to cite this article:** Nirula SR, Naik M, Gupta SR. NHS vs Modicare: The Indian Healthcare v2.0. Are we ready to build the healthier India that we envisage?. J Family Med Prim Care 2019;8:1835-7.

in the UK is projected to be ≤103,000 pounds/year or Rs. 7.75 lacs a month. These salaries seem fairly inadequate in India with the cost of living for a family of 4 being nearly Rs. 84,000/month with a cost of living index of 27.70, while in London it is nearly Rs. 2,58,327.70 with a cost of living index of 83.54. What can be understood from these numbers is there is sufficient amount of money to save at the end of the month for a doctor in the UK, as compared to an Indian doctor. Thirdly, the major causes of health issues in the UK comprise non-infectious diseases like cardiovascular diseases, cancer, hypertension and diabetes. On the other hand, infectious diseases like tuberculosis, malaria, tetanus, rabies still pose a significant burden on the Indian healthcare system apart from being the diabetes capital in the world.<sup>[3,4]</sup> A less healthier population like India with limited resources is in desperate need of a solution, with 88% of people having access to a basic water source and 98.9% of people having access to basic sanitation while in the UK 100% of people have access to an improved water source and improved sanitation.

The NHS (UK) is a government-run organisation that provides free healthcare to everyone irrespective of their ability to afford healthcare. Even though the NHS has its fair share of shortcomings, it has been one of the best healthcare systems of the world. The NHS takes care of everyone, literally. It provides free health services, diagnostics and lab tests. Every household in UK is given an NHS card or a cap-less voucher which provides insurance for specified health conditions. All that the patient has to do is to deposit the voucher with a health provider and avail treatment for the health condition. After a year, the household is again given a new voucher. The benefit of this system there are no profit-driven loopholes; as a result, treatment is provided as per protocol and not according to monetary gains. This also helps the NHS to focus more on prevention rather than cure because the provider will be paid the amount entitled in the voucher, even if the health condition does not manifest, thus preventing disease, prolonging and improving quality of life.

The NHS-UK is a way more organised healthcare system as compared to the Indian healthcare system. Not only does every patient have his own patient-profile which is readily available and accessible to every healthcare professional working in the NHS but there is also nearly perfect documentation. Each patient is given sufficient time for grievance redressal along with social and moral support is provided to patients who need it most. Besides the fact that the rehabilitation services are brilliant, there is also a thorough respect for a sound referral system. Hence, the patient gets an integrated health support from the whole medical system. It is really impressive that an NHS consultant spends 15 minutes studying the patient-profile before the patient even walks into the OPD with the average appointment time being 9.22 minutes whereas a consultant in India, unfortunately, sees 5 patients in 15 minutes. So what makes the NHS so perfect? It is not just free health services for every citizen for £1,989 per capita. It is because of the socialist values of NHS' operational model where healthcare is not only universal but is also provided based on need and not for the market. The NHS correctly highlights Karl

Marx's statement "from each according to their ability, to each according to their needs".

No healthcare system in the world seems to be perfect, even the NHS ridden with a few issues to deal with today despite being around since 1948. The NHS is currently suffering from huge shortage in workforce with routine appointments being deferred or delayed by 6 months. Of the underserved sections of society in peripheral areas, only patients suspected or diagnosed with life-threatening or grave diseases manage to get urgent investigations done. The patients with less serious or less severe conditions are unfortunately forced to wait for more than 2 months' time to get investigated, during which the patient gets better or worse or even forgets about the doctor's appointment. Nonetheless, the NHS have definitively proved themselves with a declining death rate, reducing incidence of preventable diseases and improving quality of healthcare in general.

PM Modi has a vision to increase the public expenditure of healthcare to 2.5% of GDP by 2025 and launch India's very own "NHS" model or "Modicare" which includes the newly formed Nation Health Protection Scheme (NHPS) 2018 as a part of the Ayushman Bharat programme.<sup>[5]</sup> The aims of the scheme envision to provide relief to an overburdened population by providing free healthcare to nearly 500 million people in over 100 million households with Medical Insurance cover upto Rs. 5 lac per household per annum. There have been mixed opinions about this, with similar promises made before the 2014 elections. The NHPS, if successful, would be a revolutionary landmark in history of the Indian healthcare system because it would technically make all healthcare available, accessible and amenable to 500 million people across the largest democracy in the world. A similar programme, the 'Rashtriya Swasthya Bima Yojana' (RSBY) launched nearly 12 years ago with a healthcare cover of only Rs. 30,000 per household per annum. RSBY did increase hospital admissions by 59%, but there was no documented reduction in the out of pocket expenditures. The BPL patients were still incurring out-of-pocket costs despite the RSBY due to low enrolment, inadequate insurance cover and most importantly, lack of coverage for outpatient costs. The cost of outpatient treatment—which the economically-weak prefer over hospitalization—formed 65.3% of out-of-pocket expenditure, according to a 2016 Brookings report. The first challenge faced by the Ayushman Bharat Programme under the NHPS is that many of the 500 million people benefiting from the programme have no clue of their benefits, because they were directly enrolled into the programme owing to their BPL status, without their knowledge and without any effort. PM Modi is now making the efforts to combat this issue at the grassroot level by writing letters to these 100 million families educating them about this programme.

The second problem at hand would be accessible healthcare. India had failed to reach its Millennium Development Goals because it lacked providing, using and finally attaining healthcare. The fact that 74% of doctors are in urban areas, while only

26% serve the rest of the population highlights the differential distribution of health services and resources between urban and rural areas. Urban hospitals have greater number of beds equipped with better services as compared to rural areas. Even the proportion of completely immunized children is 39% in rural areas while the immunization coverage in urban areas is 58%. India suffers from “Missing doctors” syndrome with 82% of posts vacant in Community Health Centres (CHCs) and only 55% of Primary Health Centres (PHCs) having referral transport. The Comptroller and Auditor General (CAG) published an audit report on the National Rural Health Mission (NRHM) stating that out of 687 PHCs selected for the audit, 120 (17.5%) had insufficient water supply, 93 (13.5%) didn't have electricity, shortage of lab technicians and lab facilities by 52% and 29% shortage of pharmacists.

The theme of 2018 World Health Day was ‘Universal health coverage (UHC): essential healthcare services without facing financial hardship for everyone everywhere’. In fact, in accordance with United Nations’ Sustainable Development Goals, India launched Ayushman Bharat programme. It encompasses 2 complementary schemes, Health-Wellness Centres and National Health Protection Scheme. Health and Wellness Centres are envisioned as a foundation of the health system to provide comprehensive primary care, free essential drugs and diagnostic services, whereas National Health Protection Scheme is envisaged to provide financial risk protection to poor and vulnerable families arising out of secondary and tertiary care hospitalization. The WHO has identified four key financing strategies to achieve UHC: increasing taxation efficiency, increasing government budgets for health, innovation in financing for health and increasing development assistance for health.

Thirdly, it is imperative to put into perspective the economic terms, “Adverse selection” and “Moral Hazard”. Adverse selection implies that there is asymmetry or incongruence in information between the buyers and sellers. Moral hazard occurs when a party that has agreed to a transaction provides misleading information or changes their behavior because they believe that they won't have to face any consequences for their actions later. Putting this into the current perspective, doctors and other healthcare professionals have more information about diseases as well as management options than the patients and therefore may have financial interests in overtreating the patient. All of this finally raises the out of pocket healthcare costs. Ultimately, the per capita health expenditure exceeds the Rs 5 lakh per annum cap limit, thus the economically-weak end up paying extra premium costs and the whole plan seems a failure. A lot of loopholes would have to be corrected in order to make the Modicare

model a success. Combating corruption could be a decent start, followed by increasing salaries for doctors, reducing cost of treatment, increasing the government expenditure on healthcare, increasing awareness in the general population and improving services in government hospitals to compete with profit-driven private sector hospitals. Only then would a Traditional Insurance Scheme model be beneficial.

In conclusion, there are a lot of challenges in the path to achieve the dream here in India. The population of this nation deserves a budget that focuses on healthcare more than defence. As per the 2017 rankings of health systems in 11 developed countries, in the Commonwealth fund health think-tank, the NHS was adjudged as the best when it came to affordability and safety.<sup>[6]</sup> India would to change and India would have to adapt. Considering the successful clinical, operational and cost parameters that the NHS itself is known for, it would be our vested personal interests if we could ensure the implementation and functional success of a near-perfect healthcare insurance system in one of the largest democracies in the world.

### Financial support and sponsorship

Nil.

### Conflicts of interest

There are no conflicts of interest.

### References

1. Press Release, Department of Industrial Policy and Promotion. Available from: <https://www.ibef.org/industry/healthcare-india.aspx>. [Last accessed on 2019 Mar 10].
2. Press release, Government of India; National Health Policy, 2017; PwC analysis.
3. Burden of Disease in India, National Commission on Macroeconomics and Health. Available from: [https://www.who.int/macrohealth/action/NCMH\\_Burden%20of%20disease\\_\(29%20Sep%202005\).pdf](https://www.who.int/macrohealth/action/NCMH_Burden%20of%20disease_(29%20Sep%202005).pdf). [Last accessed on 2019 Mar 10].
4. Prabhakaran D, Singh K, Roth GA, Banerjee A, Pagidipati NJ, Huffman MD. Cardiovascular diseases in India compared with the United States. *J Am Coll Cardiol* 2018;72:79-95.
5. Press Release, Ministry of Health and Family Welfare, New Delhi, 2018. Available from: <https://www.businesstoday.in/current/economy-politics/modicare-ayushman-bharat-scheme-august-15-states-launch/story/279268.html>. [Last accessed on 2019 Mar 10].
6. World Health Organization's Ranking of the World's Health Systems. WHO official website. Available from: <http://thepatientfactor.com/canadian-health-care-information/world-health-organizations-ranking-of-the-worlds-health-systems/>. [Last accessed on 2019 Mar 10].